

**Frequently Asked Questions (FAQs)**  
**Draft Inclusionary Housing Ordinance for City of Daly City**

1. What is an inclusionary unit?
  - An inclusionary unit, often referred to as a BMR (Below Market Rate), is a unit that is made affordable to a targeted income level, as required by the Inclusionary Ordinance.
  
2. What is affordable housing?
  - Affordable housing, as an accepted guideline, is a dwelling where the total housing cost does not exceed 30% of the household's gross income. Housing costs generally include taxes, insurance, HOA fees and utility costs.
  
3. Who qualifies for an inclusionary unit?
  - First-time homebuyer households earning no more than the targeted household income level for the calendar year in which application is made.
    - A First-time homebuyer household is one in which no member of the household has owned any interest in a dwelling unit for a three-year period prior to applying to qualify for purchase of an inclusionary unit.
    - **The targeted income level is different for each project.** Rental units may target household incomes at 50% or 60% of AMI, and ownership units may target household incomes at 60% or 100% of AMI.
  
4. What is AMI?
  - AMI is the median household income by household size. The AMI is updated annually by the federal Department of Housing and Urban Development and is adopted by the state Department of Housing and Community Development. The AMI is used to determine income limits for various housing programs. Below is the current income limits by household size at 50%, 60% and 100% of AMI.

	One Person	Two Person	Three Person	Four Person
100% AMI	\$66,500	\$76,000	\$85,500	\$95,000
60% AMI	\$47,520	\$54,300	\$61,080	\$67,860
50% AMI	\$39,600	\$45,250	\$50,900	\$56,550

5. What is the basis for determining income eligibility?
  - For purposes of determining household income, each person considered a member of the household must present: a) a complete set of past three year's income tax returns and W-2 forms; b) three recent and consecutive pay stubs; and c) three recent and consecutive statements from each savings, checking, retirement or any other type of account in which each person has money saved.
  
6. For ownership units, what happens when an inclusionary unit is sold?
  - Ownership inclusionary units are restricted for 55 years. These restrictions are restricted on the title of the property and require the current owner also to sell at a restricted price established by the City guidelines to a new income-eligible

buyer. Any appreciation gained from the sale belongs to the owner; however the owner is not guaranteed appreciation on a unit. The resale price is dependent on interest rates and local area median incomes at the time of sale.

7. How do I apply for the units?

- Residential developers work in partnership with the City of Daly City to hold a lottery for the available inclusionary units in each development. Applicants must submit a complete application to the developer by an established deadline in order to be considered for the lottery. For ownership units, placing high on the lottery list does not guarantee the unit as applicants must still be qualified by the City and able to secure a mortgage loan.

8. How do I find out about available units?

- The City will post available units on its website and announce the availability of units and the application deadline. The announcement will be posted on the City's website, at the libraries, City Hall, and Channel 27. You may also call the Housing and Community Development Division at (650) 991-8256.